

AMENDED IN SENATE MAY 31, 2000
AMENDED IN SENATE FEBRUARY 24, 2000
AMENDED IN ASSEMBLY JANUARY 3, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 816

**Introduced by Committee on Public Employees, Retirement
and Social Security (Correa (Chair), Firebaugh, Honda,
Knox, and Pescetti)**

February 24, 1999

An act to amend Sections 22138.5, ~~22163, 22508.5, 22141,~~
~~22146, 22156.1, 22163, 22500, 22508, 22508.5, 22713, 23001, 23008,~~
~~23300, 24201, 24307, and 24410.5~~ 24209, 24211, 24307, 24410.5,
24415, 24417, 44922, and 47611 of the Education Code, relating
to state teachers' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 816, as amended, Committee on Public Employees,
Retirement and Social Security. State Teachers' Retirement
System.

(1) The State Teachers' Retirement Law authorizes a
member of the Defined Benefit Program to designate, or
change the designation of, a beneficiary to receive benefits
payable under the program, except as specified.

This bill would additionally authorize an option beneficiary
to designate, ~~or change the designation of,~~ a *death* beneficiary
to receive those benefits.

(2) *The State Teachers' Retirement Law prescribes enhanced retirement benefits for members with 30 years or more of credited service. That law also prescribes retirement benefits for members who retire following reinstatement from retirement.*

This bill would provide that a member who retires on or after January 1, 1999, following reinstatement from retirement with 30 years or more of total credited service shall be entitled to those enhanced retirement benefits, as specified.

(3) *The State Teachers' Retirement Law defines "full time" time, "member," and "reinstatement" for purposes of calculating retirement benefits, provides a specified membership option to employees of a community college district who have been previously or are subsequently employed by the Board of Governors of the California Community Colleges, prescribes reporting and payment requirements for specified employing agencies, specifies eligibility requirements for service retirement, prescribes allowances payable to designated beneficiaries under specified preretirement options, and prescribes minimum annual allowances payable to a retired member, an option beneficiary, or a surviving spouse receiving specified death benefits.*

This bill would make technical changes to those and other provisions.

(4) *Existing law provides that all employees of a charter school who perform creditable service shall be entitled to have that service covered under the Defined Benefit Program of the Teachers' Retirement Plan, if the school elects to make that plan available.*

This bill would require a charter school to inform all applicants for employment of the retirement options for employees of the school, as specified, thereby creating a state-mandated local program.

(5) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of*

mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22138.5 of the Education Code is
2 amended to read:
3 22138.5. (a) “Full time” means the days or hours of
4 creditable service the employer requires to be performed
5 by a class of employees in a school year in order to earn
6 the compensation earnable as defined in Section 22115
7 and specified under the terms of a collective bargaining
8 agreement or employment agreement. For the purpose
9 of crediting service under this part, “full time” shall not
10 be less than the minimum standards specified in this
11 section.
12 (b) The minimum standard for full time in
13 kindergarten through grade 12 shall be:
14 (1) One hundred seventy-five days per year or 1,050
15 hours per year, except as provided in paragraphs (2) and
16 (3).
17 (2) (A) One hundred ninety days per year or 1,520
18 hours per year for all principals and program managers,
19 including advisers, coordinators, consultants, and
20 developers or planners of curricula, instructional
21 materials, or programs, and for administrators, except as
22 provided in subparagraph (B).
23 (B) Two hundred fifteen days per year or 1,720 hours
24 per year including school and legal holidays pursuant to
25 the policy adopted by the employer’s governing board for
26 administrators at a county office of education.
27 (3) One thousand fifty hours per year for teachers in
28 adult education programs.

(c) The minimum standard for full time in community colleges shall be:

(1) One hundred seventy-five days per year or 1,050 hours per year, except as provided in paragraphs (2), (3), (4), (5), and (6). Full time shall include time for duties the employer requires to be performed as part of the full-time assignment for a particular class of employees.

(2) One hundred ninety days per year or 1,520 hours per year for all program managers and for administrators, except as provided in paragraph (3).

(3) Two hundred fifteen days per year or 1,720 hours per year including school and legal holidays pursuant to the policy adopted by the employer's governing board for administrators at a district office.

(4) One hundred seventy-five days per year or 1,050 hours per year for all counselors and librarians.

(5) Five hundred twenty-five instructional hours per school year for all instructors employed on a part-time basis, except instructors specified in paragraph (6). If an instructor receives compensation for office hours pursuant to Article 10 (commencing with Section 87880) of Chapter 3 of Part 51, then the minimum standard established herein shall be increased appropriately by the number of office hours required annually for the class of employees.

(6) Eight hundred seventy-five instructional hours per school year for all instructors employed in adult education programs. If an instructor receives compensation for office hours pursuant to Article 10 (commencing with Section 87880) of Chapter 3 of Part 51, then the minimum standard established herein shall be increased appropriately by the number of office hours required annually for the class of employees.

(d) The board shall have final authority to determine full time for purposes of crediting service under this part if full time is not otherwise specified herein.

SEC. 2. *Section 22141 of the Education Code is amended to read:*

22141. Notwithstanding Section 22140, "improvement factor" means an increase of 2 percent in

1 benefits provided under Sections 24408 and 24409 for
2 each year commencing on September 1, 1981, *and under*
3 *Section 24410.5 for each year commencing September 1,*
4 *2002.* The factor shall not be compounded nor shall it be
5 applicable to annuities payable from the accumulated
6 annuity deposit contributions or the accumulated
7 tax-sheltered annuity contributions. The Legislature
8 reserves the right to adjust the amount of the
9 improvement factor up or down as the economic
10 conditions dictate. No adjustments of the improvement
11 factor shall reduce the monthly retirement allowance or
12 benefit below that which would be payable to the
13 recipient under this part had this section not been
14 enacted.

15 *SEC. 3. Section 22146 of the Education Code is*
16 *amended to read:*

17 22146. "Member" means any person, unless excluded
18 under other provisions of this part, who has performed
19 creditable service as defined in Section 22119.5 and has
20 earned creditable compensation for that service and has
21 not received a refund for that service and, as a result, is
22 subject to the Defined Benefit Program. A member's
23 rights and obligations under this part with respect to the
24 Defined Benefit Program shall be determined by the
25 applicability of subdivision (a), (b), (c), or (d), and
26 subject to any applicable exceptions under other
27 provisions of this part.

28 (a) An active member is a member who is not retired
29 or disabled and who earns creditable compensation
30 during the school year.

31 (b) An inactive member is a member who is not
32 retired or disabled and who, ~~by the pay period ending~~
33 ~~June 30,~~ has not earned creditable compensation during
34 the school year *immediately prior to and the school year*
35 *during which the member retires for service.*

36 (c) A disabled member is a member to whom a
37 disability allowance is payable under Chapter 25
38 (commencing with Section 24001).

39 (d) A retired member is a member who has
40 terminated employment and has retired for service

1 under the provisions of Chapter 27 (commencing with
2 Section 24201), or has retired for disability under the
3 provisions of Chapter 26 (commencing with Section
4 24100) or retired for service or disability under the
5 provisions of Chapter 21 (commencing with Section
6 23400), and to whom a retirement allowance is therefore
7 payable.

8 *SEC. 4. Section 22156.1 of the Education Code is*
9 *amended to read:*

10 22156.1. "Present value," for purposes of Section
11 ~~22723~~ 22718, means the amount of money needed on the
12 effective date of retirement to reimburse the system for
13 the actuarially determined cost of the portion of a
14 member's retirement allowance attributable to unused
15 excess sick leave days. The present value on the effective
16 date of retirement shall equal the number of unused
17 excess sick leave days divided by the number of base days,
18 multiplied by the prior year's compensation earnable
19 multiplied by the present value factor.

20 *SEC. 5. Section 22163 of the Education Code is*
21 *amended to read:*

22 22163. "Reinstatement" means the change in status
23 with respect to the Defined Benefit Program under this
24 part from a disabled or retired member to an active or
25 inactive member and termination of one of the following:

26 (a) A service retirement allowance pursuant to
27 Section 24208.

28 (b) A disability retirement allowance pursuant to
29 Section 24117.

30 (c) A disability allowance pursuant to Section 24004,
31 24006, or 24015.

32 (d) A service retirement allowance or disability
33 retirement allowance pursuant to Section 23404.

34 ~~SEC. 3.~~

35 *SEC. 6. Section 22500 of the Education Code is*
36 *amended to read:*

37 22500. All persons who were members of the
38 California State Teachers' Retirement System on June 30,
39 1996, are members of the Defined Benefit Program under

1 the plan, *in accordance with Section 401(a) of the*
2 *Internal Revenue Code of 1986, as amended.*

3 *SEC. 7. Section 22508 of the Education Code is*
4 *amended to read:*

5 22508. (a) A member who becomes employed by the
6 same or a different school district, community college
7 district, or a county superintendent to perform service
8 that requires membership in a different public
9 retirement system, may elect to have that service subject
10 to coverage by the Defined Benefit Program of this plan
11 and excluded from coverage by the other public
12 retirement system. The election shall be made in writing
13 on a form prescribed by this system within 60 days from
14 the date of hire in the position requiring membership in
15 the other public retirement system. If that election is
16 made, the service performed for the employer after the
17 date of hire shall be considered creditable service for
18 purposes of this part.

19 (b) A member of the Public Employees' Retirement
20 System who is employed by a school district, community
21 college district, or a county superintendent and who is
22 subsequently employed to perform creditable service
23 subject to coverage by the Defined Benefit Program of
24 this plan may elect to have that service subject to
25 coverage by the Public Employees' Retirement System
26 and excluded from coverage by the Defined Benefit
27 Program, *if the employer offers coverage by the Public*
28 *Employees' Retirement System.* The election shall be
29 made in writing on a form prescribed by this system
30 within 60 days from the date of hire to perform creditable
31 service. If that election is made, creditable service
32 performed for the employer after the date of hire shall be
33 subject to coverage by the Public Employees' Retirement
34 System.

35 (c) An election made by a member pursuant to this
36 section shall be irrevocable.

37 *SEC. 8. Section 22508.5 of the Education Code is*
38 *amended to read:*

39 22508.5. (a) Any person who is a member of the
40 Defined Benefit Program of the State Teachers'

1 Retirement Plan employed by a community college
2 district who subsequently is employed by the Board of
3 Governors of the California Community Colleges to
4 perform duties that are subject to membership in a
5 different public retirement system, shall be excluded
6 from membership in that different system if he or she
7 elects, in writing, and files that election in the office of the
8 State Teachers' Retirement System within 60 days after
9 the person's entry into the new position, to continue as a
10 member of the Defined Benefit Program. Only a person
11 who has achieved plan vesting is eligible to elect to
12 continue as a member of the program.

13 (b) A member of the Public Employees' Retirement
14 System who is employed by the Board of Governors of the
15 California Community Colleges who subsequently is
16 employed by a community college district to perform
17 service that requires membership in the Defined Benefit
18 Program, may elect to have that service subject to
19 coverage by the Public Employees' Retirement System
20 and excluded from coverage under the Defined Benefit
21 Program pursuant to Section 20309 of the Government
22 Code.

23 (c) This section shall apply to changes in employment
24 effective on or after January 1, 1998.

25 ~~SEC. 4.~~

26 *SEC. 9. Section 22713 of the Education Code is*
27 *amended to read:*

28 22713. (a) Notwithstanding any other provision of
29 this chapter, the governing board of a school district or a
30 community college district or a county superintendent of
31 schools may establish regulations that allow an employee
32 who is a member of the Defined Benefit Program to
33 reduce his or her workload from full time to part time,
34 and receive the service credit the member would have
35 received if the member had been employed on a full-time
36 basis and have his or her retirement allowance, as well as
37 other benefits that the member is entitled to under this
38 part, based, in part, on final compensation determined
39 from the compensation earnable the member would have



1 been entitled to if the member had been employed on a
2 full-time basis.

3 (b) The regulations shall include, but shall not be
4 limited to, the following:

5 (1) The option to reduce the member's workload shall
6 be exercised at the request of the member and can be
7 revoked only with the mutual consent of the employer
8 and the member.

9 (2) The member shall have been employed full time
10 to perform creditable service subject to coverage under
11 the Defined Benefit Program for at least 10 years
12 including five years *of full-time employment*
13 immediately preceding the reduction in workload.

14 (3) The member shall not have had a break in service
15 during the five years immediately preceding the
16 reduction in workload. For purposes of this subdivision,
17 sabbaticals and other approved leaves of absence shall not
18 constitute a break in service. ~~However, time spent on a~~
19 ~~sabbatical or other approved leave of absence shall not be~~
20 ~~used in computing the five-year full-time service~~
21 ~~requirement prescribed by this subdivision.~~

22 (4) The member shall have reached the age of 55 years
23 prior to the reduction in workload.

24 (5) The reduced workload shall be performed for a
25 period of time, as specified in the regulations, *up to and*
26 *including 10 years*. The period of time specified in the
27 regulations shall not exceed 10 years.

28 (6) The reduced workload shall be equal to at least
29 one-half of the full-time equivalent required by the
30 member's contract of employment during his or her final
31 year of full-time employment.

32 (7) The member shall be paid creditable
33 compensation that is the pro rata share of the creditable
34 compensation the member would have been paid had the
35 member not reduced his or her workload.

36 (c) Prior to the reduction of a member's workload
37 under this section, the employer in conjunction with the
38 administrative staff of the State Teachers' Retirement
39 System and the Public Employees' Retirement System,

1 shall verify the member's eligibility for the reduced
2 workload program.

3 (d) The member shall make contributions to the
4 Teachers' Retirement Fund in the amount that the
5 member would have contributed had the member
6 performed creditable service on a full-time basis subject
7 to coverage under the Defined Benefit Program.

8 (e) The employer shall contribute to the Teachers'
9 Retirement Fund at a rate adopted by the board as a plan
10 amendment with respect to the Defined Benefit
11 Program an amount based upon the creditable
12 compensation that would have been paid to the member
13 had the member performed creditable service on a
14 full-time basis subject to coverage under the Defined
15 Benefit Program.

16 (f) The employer shall maintain the necessary records
17 to separately identify each member who participates in
18 the reduced workload program pursuant to this section.

19 *SEC. 10.* Section 23001 of the Education Code is
20 amended to read:

21 23001. Each county superintendent, district
22 superintendent, chancellor of a community college
23 district, or other employing agency that reports directly
24 to the system shall draw requisitions for contributions
25 required by Sections 22901 and 22950 in favor of the State
26 Teachers' Retirement System, and the requisitions, when
27 allowed and signed by the county auditor, shall constitute
28 a warrant against the county treasury. The county
29 superintendent, district superintendent, chancellor of a
30 community college district, or other employing agency
31 thereupon shall forward the warrants to the board in
32 Sacramento. The amounts received shall be deposited
33 immediately in the State Treasury to the Teachers'
34 Retirement Fund.

35 ~~SEC. 5.~~

36 *SEC. 11.* Section 23008 of the Education Code is
37 amended to read:

38 23008. (a) If more or less than the required
39 contributions specified in this part and Section 44987 are
40 paid to the system based on any payment of creditable

1 compensation to a member, proper adjustments shall be
2 made on a monthly report, by the county superintendent,
3 district superintendent, chancellor of a community
4 college district, or other employing agency who
5 submitted the report, within 60 days after discovery or
6 notification by the system and any refunds shall be made
7 to the member within the same time period by the
8 employing agency.

9 (b) The board may assess penalties for late or
10 improper adjustments pursuant to Section 23006. These
11 penalties shall be no more than the regular interest as
12 defined in Section 22162. The penalty so assessed shall be
13 deemed interest earned in the year in which it was
14 received.

15 (c) If a required report contains erroneous
16 information and the system, acting in good faith,
17 disburses funds from the Teacher's Retirement Fund
18 based on that information, the county superintendent,
19 district superintendent, chancellor of a community
20 college district, or other employing agency who
21 submitted the report shall reimburse the retirement fund
22 in full for the amount of the erroneous disbursement.
23 Reimbursement shall be made immediately upon
24 notification by the system.

25 ~~SEC. 6.~~

26 *SEC. 12.* Section 23300 of the Education Code is
27 amended to read:

28 23300. (a) A member of the Defined Benefit
29 Program ~~or an option beneficiary~~ may at any time
30 designate a beneficiary, or change the designation of a
31 beneficiary, to receive benefits payable under this part,
32 except that no beneficiary designation may be made in
33 derogation of the community property share of any
34 nonmember spouse under this part when any benefit is
35 derived, in whole or in part, from community property
36 contributions or service credited during the period of
37 marriage, unless the nonmember spouse has previously
38 obtained an alternative order for distribution pursuant to
39 Section 2610 of the Family Code. A designation of
40 beneficiary shall be in writing on a form prescribed by the

1 system, executed by the member ~~or option beneficiary,~~
2 witnessed by two witnesses, neither of whom may be
3 beneficiaries. To be valid the instrument shall be received
4 in the office of the system in Sacramento ~~before the death~~
5 ~~of the designating party.~~ *before the member's death.*

6 (b) Except as otherwise stated in this section, the
7 designation of beneficiary, other than an option
8 beneficiary, may be revoked by the party making the
9 designation, and a different beneficiary designated in the
10 same manner as provided in this section.

11 (c) *An option beneficiary may designate a death*
12 *beneficiary who would, upon the death of the option*
13 *beneficiary, be entitled to receive the option*
14 *beneficiary's accrued monthly allowance.*

15 ~~SEC. 7.~~

16 *SEC. 13.* Section 24201 of the Education Code is
17 amended to read:

18 24201. (a) A member may retire for service under
19 this part upon written application for retirement to the
20 board, under paragraph (1) or (2) as follows:

21 (1) The member has attained the age of 55 years or
22 more and has at least five years of credited service, at least
23 one year of which has been performed subsequent to the
24 most recent refund of accumulated retirement
25 contributions. The five years of credited service may
26 include out-of-state service purchased pursuant to
27 Section 22820. The number of years of credited service
28 performed in California shall not be less than the number
29 of years necessary to determine final compensation
30 pursuant to Section 22134 or 22135, whichever is
31 applicable to the member.

32 (2) The member is credited with service that is not
33 used as a basis for benefits under any other public
34 retirement system, excluding the federal social security
35 system, if the member has attained the age of 55 years or
36 older and retires concurrently under one or more of the
37 retirement systems with which the member has
38 concurrent membership as defined in Section 22115.2.

(b) Application for retirement under paragraph (2) of subdivision (a) may be made even if the member has not earned five years of credited service.

~~SEC. 8.~~

SEC. 14. Section 24209 of the Education Code is amended to read:

24209. (a) Upon retirement for service following ~~termination of a prior service retirement~~ *reinstatement*, the member shall receive a service retirement allowance equal to the sum of both of the following:

~~(a)~~

(1) An amount equal to the monthly allowance the member was receiving immediately preceding ~~the most recent termination of retirement allowance~~ *reinstatement*, exclusive of any amounts payable pursuant to Section 22714 or 22715, increased by the improvement factor that would have been applied to the allowance if the member had not ~~terminated the retirement allowance~~ *reinstated*.

~~(b)~~

(2) An amount calculated pursuant to Section 24202, 24202.5, 24203, 24203.5, or 24206 on service credited subsequent to the most recent ~~termination of retirement allowance~~ *reinstatement*, the member's age at retirement, and final compensation.

(b) *If the total amount of credited service, other than that accrued pursuant to Sections 22714, 22715, 22717, and 22826, is equal to or greater than 30 years, the amounts identified in paragraphs (1) and (2) of subdivision (a) shall be calculated pursuant to Section 24203.5. The improvement factor required in paragraph (1) of subdivision (a) shall be based on the allowance calculated pursuant to this subdivision.*

(c) *If the total amount of credited service, other than that accrued pursuant to Sections 22714, 22715, 22717, and 22826, is equal to or greater than 30 years, upon retirement for service following reinstatement, a member who retired pursuant to Section 24213, and received the terminated disability allowance for the prior*

1 retirement, shall receive a service retirement allowance
2 equal to the sum of the following:

3 (1) An amount based on the service credit accrued
4 prior to the effective date of the disability allowance, the
5 member's age at the prior retirement increased by the
6 factor provided in Section 24203.5, and projected final
7 compensation.

8 (2) An amount calculated pursuant to Section 24202,
9 24202.5, 24203.5, or 24206 on service credited subsequent
10 to the reinstatement, the member's age at retirement,
11 and final compensation.

12 (d) This section applies to those members who had
13 previously reinstated and retire for service on or after
14 January 1, 1999.

15 SEC. 15. Section 24211 of the Education Code is
16 amended to read:

17 24211. When a member who has been granted a
18 disability allowance under this part after June 30, 1972,
19 returns to employment subject to coverage under the
20 Defined Benefit Program and performs:

21 (a) Less than three years of creditable service after
22 termination of the disability allowance, the member shall
23 receive a retirement allowance which is the sum of the
24 allowance calculated on service credit accrued after the
25 termination date of the disability allowance, the age of
26 the member on the last day of the month in which the
27 retirement allowance begins to accrue, and final
28 compensation using compensation earnable and
29 projected final compensation, plus the greater of either
30 of the following:

31 (1) A service retirement allowance calculated on
32 service credit accrued as of the effective date of the
33 disability allowance, the age of the member on the last
34 day of the month in which the retirement allowance
35 begins to accrue, and projected final compensation
36 excluding service credited pursuant to Section 22717 or
37 Chapter 14 (commencing with Section 22800) or Chapter
38 14.2 (commencing with Section 22820), to the
39 termination date of the disability allowance.



(2) The disability allowance the member was receiving immediately prior to termination of that allowance, excluding children's portions.

(b) Three or more years of creditable service after termination of the disability allowance, the member shall receive a retirement allowance that is the greater of the following:

(1) A service retirement allowance calculated on all actual and projected service excluding service credited pursuant to Section 22717 or Chapter 14 (commencing with Section 22800) or Chapter 14.2 (commencing with Section 22820), the age of the member on the last day of the month in which the retirement allowance begins to accrue, and final compensation using compensation earnable, or projected final compensation, or a combination of both.

(2) The disability allowance the member was receiving immediately prior to termination of that allowance, excluding children's portions.

(c) The allowance shall be increased by an amount based on any service credited pursuant to Section 22714, 22715, or 22717 or Chapter 14 (commencing with Section 22800) or Chapter 14.2 (commencing with Section 22820) and final compensation using compensation earnable, or projected final compensation, or a combination of both.

(d) If the total amount of credited service, other than projected service or service that accrued pursuant to Sections 22714, 22715, 22717, and 22826, is equal to or greater than 30 years, the amounts identified in subdivisions (a) and (b) shall be calculated pursuant to Section 24203.5.

SEC. 16. Section 24307 of the Education Code is amended to read:

24307. (a) A member who qualifies to apply for retirement under Section 24201 or 24203 may make a preretirement election of an option, as provided in Section 24300 without right of revocation or change after the effective date of retirement, except as provided in this part. The preretirement election of an option shall become effective on the date a properly executed form

1 prescribed by the system is signed, providing the election
2 is received in the system's office in Sacramento within 30
3 days after the date of signature.

4 (b) A member who makes a preretirement election of
5 an Option 2, Option 3, Option 4, Option 5, Option 6, or
6 Option 7 may subsequently make a preretirement
7 election of Option 8. The member may retain the same
8 option and the same option beneficiary as named in the
9 prior preretirement election, as an option under Option
10 8.

11 (c) Upon the member's death prior to the effective
12 date of retirement, the beneficiary who was designated
13 under the option elected and who survives shall receive
14 an allowance calculated under the option, under the
15 assumption that the member retired for service pursuant
16 to Section 24202, 24202.5, 24203, 24203.5, 24206, 24209,
17 24210, 24211, or 24212 on the date of death. The payment
18 of the allowance to the option beneficiary shall be in lieu
19 of the family allowance provided in Section 23804, the
20 payment provided in paragraph (1) of subdivision (a) of
21 Section 23802, the survivor benefit allowance provided in
22 Section 23854, and the payment provided in subdivisions
23 (a) and (b) of Section 23852, except that if the beneficiary
24 dies before all of the member's accumulated retirement
25 contributions are paid, the balance, if any, shall be paid to
26 the estate of the person last receiving or entitled to
27 receive the allowance. The accumulated annuity deposit
28 contributions and the death payment provided in
29 Sections 23801 and 23851 shall be paid to the beneficiary
30 in a lump sum.

31 (d) If the member subsequently retires for service,
32 and the elected option has not been canceled pursuant to
33 Section 24309, a modified service retirement allowance
34 computed under Section 24300 and the option elected
35 shall be paid.

36 (e) The amount of the service retirement allowance
37 prior to applying the option factor shall be calculated as
38 of the earlier of the member's age at death before
39 retirement or age on the last day of the month in which
40 the member requested service retirement be effective.

1 The modification of the service retirement allowance
2 under the option elected shall be based on the ages of the
3 member and the beneficiary designated under the
4 option, as of the date the election was signed.

5 (f) A member who terminates the service retirement
6 allowance pursuant to Section 24208 shall not be eligible
7 to file a preretirement election of an option until one
8 calendar year elapses from the date the allowance is
9 terminated.

10 (g) The system shall inform members who are
11 qualified to make a preretirement election of an option,
12 through the annual statements of account, that the
13 election of an option can be made.

14 (h) This section shall become operative on January 1,
15 2000.

16 ~~SEC. 9.~~

17 *SEC. 17.* Section 24410.5 of the Education Code is
18 amended to read:

19 24410.5. (a) Notwithstanding any provision of this
20 part, including, but not limited to, subdivision (e) of
21 Section 22664, the annual allowance payable on the
22 effective date of this section to a retired member, an
23 option beneficiary, or a surviving spouse receiving an
24 allowance pursuant to either Section 23805 or 23855 shall
25 not be less than the amount identified in the following
26 schedule for the number of years of the member's
27 credited service under the Defined Benefit Program at
28 the time of the member's retirement, disability, or death,
29 excluding service credited pursuant to Sections 22714,
30 22715, 22717 and 22826, after the application of all
31 allowances and allowance increases authorized by this
32 part, including those specified in Sections 24412 and
33 24415, as those sections read on December 31, 1999,
34 excluding annuities payable from the accumulated
35 annuity deposit contributions or the accumulated
36 tax-sheltered annuity contributions:

37		
38	20 years of credited service	\$15,000
39	21 years of credited service	\$15,500
40	22 years of credited service	\$16,000

1	23 years of credited service	\$16,500
2	24 years of credited service	\$17,000
3	25 years of credited service	\$17,500
4	26 years of credited service	\$18,000
5	27 years of credited service	\$18,500
6	28 years of credited service	\$19,000
7	29 years of credited service	\$19,500
8	30 years or more of credited service	\$20,000

9

10 (b) Notwithstanding subdivision (a), the amount
11 identified in the schedule in subdivision (a) shall be
12 reduced:

13 (1) By 50 percent for a beneficiary receiving an
14 allowance under Option 3 or Option 7.

15 (2) By one-third for an option beneficiary receiving an
16 allowance under Option 4 after the death of the member
17 or for a member receiving an allowance under Option 4
18 after the death of the option beneficiary.

19 (3) By 50 percent for an option beneficiary receiving
20 an allowance under Option 5 after the death of the
21 member or for a member receiving an allowance under
22 Option 5 after the death of the option beneficiary.

23 (4) By a percentage equal to 100 percent minus the
24 percentage of the member's modified allowance
25 received by the option beneficiary for each option
26 beneficiary receiving an allowance under Option 8.

27 (5) By 60 percent for a surviving spouse receiving an
28 allowance pursuant to subdivision (a) of Section 23805.

29 (6) By 50 percent for a surviving spouse receiving an
30 allowance pursuant to subdivision (c) of Section 23805 or
31 Section 23855.

32 (c) A member to whom a disability allowance is
33 payable on January 1, 2000, who subsequently receives a
34 service retirement allowance pursuant to Section 24213
35 shall, upon the retirement for service, receive an increase
36 in the service retirement allowance pursuant to this
37 section.

38 (d) A member, beneficiary, or surviving spouse may
39 receive an allowance pursuant to this section only if the
40 member was an active member at the time of the



1 member's retirement, or death and, for those members
2 who retired for service, the member retired on or after
3 age 55, unless the member's allowance was not subject to
4 a reduction due to retirement prior to an age specified in
5 this part.

6 (e) A retired member, option beneficiary, or surviving
7 spouse subject to this section shall receive the annual
8 minimum allowance pursuant to this section unless the
9 system receives in writing, on a form prescribed by the
10 system, notification from the member, option
11 beneficiary, or surviving spouse before May 1, 2000, of his
12 or her election not to receive the increase provided under
13 this section.

14 (f) Benefits payable under this section shall be initially
15 paid by the system on July 1, 2000.

16 ~~SEC. 10.~~

17 *SEC. 18. Section 24415 of the Education Code is*
18 *amended to read:*

19 24415. (a) The proceeds of the Supplemental Benefit
20 Maintenance Account shall be distributed annually in
21 quarterly supplemental payments commencing on
22 September 1, 1990, to retired members, disabled
23 members, and beneficiaries. The amount available for
24 distribution in any fiscal year shall not exceed the amount
25 necessary to restore purchasing power up to 75 percent
26 of the purchasing power of the initial monthly allowance
27 after the application of all allowance increases authorized
28 by this part, including those specified in Section 24412,
29 *and excluding those provided pursuant to Section*
30 *24410.5.*

31 (b) The net revenues to be distributed shall be
32 allocated among those retired members, disabled
33 members, and beneficiaries whose allowances, after
34 sequentially applying the annual improvement factor as
35 defined in Sections 22140 and 22141, and the annual
36 supplemental payment as defined in Section 24412, have
37 the lowest purchasing power percentage. The purchasing
38 power calculation for each individual shall be based on
39 the change in the All Urban California Consumer Price
40 Index between June of the calendar year of retirement

1 and June of the fiscal year preceding the fiscal year of
2 distribution. In any year in which the purchasing power
3 of the allowances of all retired members, disabled
4 members, and beneficiaries equals not less than 75
5 percent and additional funds remain from the allocation
6 authorized by this section, those funds shall remain in the
7 Supplemental Benefit Maintenance Account for
8 allocation in future years.

9 (c) The allowance increase shall not be applicable to
10 annuities payable from the accumulated annuity deposit
11 contributions or the accumulated tax-sheltered annuity
12 contributions.

13 (d) The benefits provided by subdivision (b) are not
14 cumulative, not part of the base allowance, and will be
15 payable only to the extent that funds are available from
16 the Supplemental Benefit Maintenance Account. The
17 board shall inform each recipient of the contents of this
18 subdivision.

19 (e) The adjustments authorized by this section are
20 vested only up to the amount payable as a result of the
21 annual appropriation made pursuant to Section 22954 and
22 shall not be included in the base allowance for purposes
23 of calculating the annual improvement defined by
24 Sections 22140 and 22141.

25 *(f) Notwithstanding subdivision (b), for purposes of*
26 *restoring the purchasing power of benefits provided*
27 *pursuant to Section 24410.5 for members and*
28 *beneficiaries receiving benefits pursuant to subdivision*
29 *(b), the purchasing power calculation shall be based on*
30 *75 percent of the change in the All Urban California*
31 *Consumer Price Index between January 2000, and June*
32 *of the fiscal year preceding the fiscal year of distribution,*
33 *after the application of increases authorized by Section*
34 *24412 that are made to the allowances provided pursuant*
35 *to Section 24410.5.*

36 SEC. 19. Section 24417 of the Education Code is
37 amended to read:

38 24417. (a) The proceeds of an auxiliary
39 Supplemental Benefit Maintenance Account shall be
40 distributed annually in quarterly supplemental



1 payments, commencing when funds in the Supplemental
2 Benefit Maintenance Account are insufficient to support
3 75 percent, to retired members, disabled members, and
4 beneficiaries. The amount available for distribution in
5 any fiscal year shall not exceed the amount necessary to
6 restore purchasing power up to 75 percent of the
7 purchasing power of the initial monthly allowance after
8 the application of all allowance increases authorized by
9 this part, including those specified in Section 24412 and
10 Section 24415, *and excluding those provided pursuant to*
11 *Section 24410.5.*

12 (b) The net revenues to be distributed shall be
13 allocated among those retired members, disabled
14 members, and beneficiaries whose allowances, after
15 sequentially applying the annual improvement factor as
16 defined in Sections 22140 and 22141, and the annual
17 supplemental payment as defined in Section 24412 and
18 Section 24415, have the lowest purchasing power
19 percentage. The purchasing power calculation for each
20 individual shall be based on the change in the All Urban
21 California Consumer Price Index between June of the
22 calendar year of benefit effective date and June of the
23 fiscal year preceding the fiscal year of distribution.

24 (c) The allowance increase shall not be applicable to
25 annuities payable from the accumulated annuity deposit
26 contributions or the accumulated tax-sheltered annuity
27 contributions.

28 (d) The benefits provided by subdivision (b) are not
29 cumulative, nor part of the base allowance, and will be
30 payable only to the extent that funds are available from
31 the Supplemental Benefit Maintenance Account and the
32 auxiliary Supplemental Benefit Maintenance Account.
33 The board shall inform each recipient of the contents of
34 this subdivision.

35 (e) The distributions authorized by this section are
36 vested only up to the amount payable as a result of the
37 annual appropriation made pursuant to Section 22954 and
38 shall not be included in the base allowance for purposes
39 of calculating the annual improvement defined by
40 Section 22140 and 22141.

1 (f) Notwithstanding subdivision (b), for purposes of
2 restoring the purchasing power of benefits provided
3 pursuant to Section 24410.5 for members and
4 beneficiaries receiving benefits pursuant to subdivision
5 (b), the purchasing power calculation shall be based on
6 75 percent of the change in the All Urban California
7 Consumer Price Index between January 2000, and June
8 of the fiscal year preceding the fiscal year of distribution,
9 after the application of increases authorized by Section
10 24412 that are made to the allowances provided pursuant
11 to Section 24410.5.

12 SEC. 20. Section 44922 of the Education Code is
13 amended to read:

14 44922. Notwithstanding any other provision, the
15 governing board of a school district or a county
16 superintendent of schools may establish regulations
17 which allow their certificated employees to reduce their
18 workload from full-time to part-time duties.

19 The regulations shall include, but shall not be limited
20 to, the following, if the employees wish to reduce their
21 workload and maintain retirement benefits pursuant to
22 Section 22724 of this code or Section 20815 of the
23 Government Code:

24 (a) The employee shall have reached the age of 55
25 prior to reduction in workload.

26 (b) The employee shall have been employed full time
27 in a position requiring certification for at least 10 years of
28 which the immediately preceding five years were
29 full-time employment.

30 (c) During the period immediately preceding a
31 request for a reduction in workload, the employee shall
32 have been employed full time in a position requiring
33 certification for a total of at least five years without a
34 break in service. For purposes of this subdivision,
35 sabbaticals and other approved leaves of absence shall not
36 constitute a break in service. ~~Time spent on a sabbatical~~
37 ~~or other approved leave of absence shall not be used in~~
38 ~~computing the five-year full-time service requirement~~
39 ~~prescribed by this subdivision.~~

(d) The option of part-time employment shall be exercised at the request of the employee and can be revoked only with the mutual consent of the employer and the employee.

(e) The employee shall be paid a salary which is the pro rata share of the salary he or she would be earning had he or she not elected to exercise the option of part-time employment but shall retain all other rights and benefits for which he or she makes the payments that would be required if he or she remained in full-time employment.

The employee shall receive health benefits as provided in Section 53201 of the Government Code in the same manner as a full-time employee.

(f) The minimum part-time employment shall be the equivalent of one-half of the number of days of service required by the employee's contract of employment during his or her final year of service in a full-time position.

(g) This option is limited in prekindergarten through grade 12 to certificated employees who do not hold positions with salaries above that of a school principal.

(h) The period of this part-time employment shall ~~not exceed~~ *include a period of time, as specified in the regulations, which shall be up to and include* five years for employees subject to Section 20815 of the Government Code or 10 years for employees subject to Section 22724 of this code.

(i) The period of part-time employment of employees subject to Section 20815 of the Government Code shall not extend beyond the end of the school year during which the employee reaches his or her 70th birthday. This subdivision shall not apply to any employee subject to Section 22724 of this code.

SEC. 21. Section 47611 of the Education Code is amended to read:

47611. (a) If a charter school chooses to make the State Teacher's Retirement Plan available, all employees of the charter school who perform creditable service shall be entitled to have that service covered under the plan's Defined Benefit Program or Cash Balance Benefit

1 Program, and all provisions of Part 13 (commencing with
2 Section 22000) and Part 14 (commencing with Section
3 26000) shall apply in the same manner as the provisions
4 apply to other public schools in the school district that
5 granted the charter.

6 *(b) (1) A charter school shall inform all applicants for
7 positions within that charter school of the retirement
8 system options for employees of the charter school.*

9 *(2) The information shall specifically include whether
10 the charter school makes available to employees
11 coverage under the State Teachers' Retirement System,
12 the Public Employees' Retirement System, both systems,
13 or neither system, and that accepting employment in the
14 charter school may exclude the applicant from further
15 coverage in the applicant's current retirement system,
16 depending on the retirement options offered by the
17 charter of the charter school.*

18 *SEC. 22. Notwithstanding Section 17610 of the
19 Government Code, if the Commission on State Mandates
20 determines that this act contains costs mandated by the
21 state, reimbursement to local agencies and school
22 districts for those costs shall be made pursuant to Part 7
23 (commencing with Section 17500) of Division 4 of Title
24 2 of the Government Code. If the statewide cost of the
25 claim for reimbursement does not exceed one million
26 dollars (\$1,000,000), reimbursement shall be made from
27 the State Mandates Claims Fund.*

28 *SEC. 23. Any section of any act enacted by the
29 Legislature during the 2000 calendar year that takes
30 effect on or before January 1, 2001, and that amends,
31 amends and renumbers, adds, repeals and adds, or repeals
32 a section that is amended, amended and renumbered,
33 repealed and added, or repealed by this act, shall prevail
34 over this act, whether that act is enacted prior to, or
35 subsequent to, the enactment of this act. The repeal, or
36 repeal and addition, of any article, chapter, part, title, or
37 division of any code by this act shall not become operative
38 if any section of any other act that is enacted by the
39 Legislature during the 2000 calendar year and takes effect
40 on or before January 1, 2001, amends, amends and*

- 1 renumbers, adds, repeals and adds, or repeals any section
- 2 contained in that article, chapter, part, title, or division.

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